

EXHIBIT C

Fabre, Jacques

6/27/2008

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

ROOTS READY MADE GARMENTS CO.)
W.L.L.)
)
) Plaintiff,)
) v.)
) Case No.)
) C 07 3363 CRB)
)
THE GAP, INC., a/k/a, GAP, INC.,)
GAP INTERNATIONAL SALES, INC.,)
BANANA REPUBLIC, LLC, AND OLD)
NAVY, LLC,)
) Defendants.)

VIDEOTAPED DEPOSITION OF JACQUES FABRE

VOLUME I

Friday, June 27, 2008

AT: 10:23 a.m.

Taken at:

Hotel Shangri-La
Sheikh Zayed Road
P.O. Box 75880
Dubai
UNITED ARAB EMIRATES

1 excess inventory?

2 A. Yes, yes, yes.

3 Q. And did -- during 2001 and/or 2002, did Solka
4 begin to buy large quantities of excess inventory from Gap?

5 A. At the very beginning, the quantities were not
6 very important. I don't remember exactly, but they were not
7 very important.

8 Q. And when you say "very important", you mean
9 very large?

10 THE INTERPRETER: Very large quantities, yes.

11 BY MR. HANEY:

12 Q. They were not very large?

13 A. No, no.

14 And a few months later, he offered me large
15 quantities. He offered me large quantities, like 5,000 --
16 500,000, 800,000. And I said I would never be able to sell
17 them.

18 Q. Okay. 500,000 or 800,000 pieces of clothing?

19 A. Yes, yes. For men, ladies and children.

20 MR. MacCARTHY: "Banana Republic and Old Navy."

21 MR. HANEY: Gap?

22 THE WITNESS: Yes.

23 MR. MacCARTHY: Gap, Banana Republic and Old Navy.

24 BY MR. HANEY:

25 Q. And notwithstanding the difficulty in selling

1 those large quantities, did Solka agree to take large
2 quantities of excess inventory?

3 A. That's how it happened.

4 MR. HANEY: "Here's what happened."

5 MR. MacCARTHY: "This is how it happened."

6 A. I said, "I will not be able to sell them". So
7 the President told me, "I am going to send them to you
8 without any payment, expecting any payment from you".
9 Because I am going to have a problem with the Chinese
10 quotas, so I am going to send them to you before the end of
11 the year, 2001 or 2002, I can't remember. But I'm going to
12 have a problem with the Chinese quotas, so I am sending them
13 to you.

14 MR. MacCARTHY: "And he sent them on open terms,
15 without any invoices."

16 THE INTERPRETER: Without any kind --

17 BY MR. HANEY:

18 Q. Is that -- do you agree with that translation?

19 A. He sent them with -- yes, he sent them with an
20 invoice.

21 MR. MacCARTHY: Without payment terms.

22 THE INTERPRETER: But without payment terms.

23 BY MR. HANEY:

24 Q. And did you agree to that?

25 A. I did. He said, "You are really very, very

1 helpful. We'll sort it out later on for payments and
2 everything and you are really being very, very helpful."
3 But Solka was very small and he sent me large quantities,
4 very large quantities.

5 MR. HANEY: I think he said "enorme", which is
6 enormous.

7 THE INTERPRETER: Enormous, yes. Very large.

8 A. Even in the days of Liberto, I had never
9 actually bought such quantities before. It was really big
10 business.

11 BY MR. HANEY:

12 Q. And did you wind up buying 2 million or more
13 garments under those terms?

14 A. He used to send them by -- he used to send
15 them via various containers and we never knew the
16 quantities. So sometimes it was 200,000, sometimes 300,000.
17 And in the end when we added them up, we said "What's that,
18 it is absolutely madness."

19 Q. Now, did Solka have the ability to sell those
20 enormous quantities of excess inventory that Gap asked it to
21 take?

22 A. Solka didn't. But as I knew quite a lot of
23 people in this trade, I said to myself, "Well, I am going to
24 do my utmost to try and sell them".

25 Q. And did you make efforts to sell those

1 enormous quantities of excess inventory?

2 A. Yes, of course. I sold 300,000, 400,000,
3 200,000. I can't remember exactly.

4 Q. But notwithstanding your efforts, were there
5 still very, very large quantities of excess inventory that
6 had been sent to Solka that you could not sell?

7 MS. DURIE: Objection, leading.

8 BY MR. HANEY:

9 Q. Let me -- I'll strike that.

10 Were there large quantities you couldn't sell?

11 A. Well, of course there was 1 -- there were
12 1-million-and-7 approximately, which I couldn't sell.

13 Q. That's 1,700,000?

14 A. Yes.

15 Q. So was it the case that in 2001 or 2002, Solka
16 had an inventory of about 1.7 million?

17 A. Can I say something?

18 Q. Yes.

19 A. And they wanted to send more to me, but
20 I said, "No, no, stop here".

21 Q. They wanted to send?

22 THE INTERPRETER: To send.

23 Q. More?

24 THE INTERPRETER: More.

25 A. Yes, "send".

1 THE INTERPRETER: The President.

2 A. And then there came a new team, because I was
3 known for business. Because the creator, Fisher, didn't
4 want to keep Mickey Dressler. And there was a new -- a new
5 one, with a new team, Paul Pressler, who used to come from
6 Disney.

7 BY MR. HANEY:

8 Q. So there was a change in the team of people at
9 Gap that you dealt with?

10 A. In everything.

11 Q. Okay.

12 And did that new team start making demands for
13 payment?

14 A. Yes.

15 Q. And what happened?

16 A. They came with Julie Campbell and Tim.
17 I can't remember his name.

18 Q. Tim?

19 A. Tim. I just can't remember his name. They
20 came and we made arrangements on everything I had paid --
21 I had paid and everything I wanted to pay. It took place at
22 Gap's Avenue Matignon in Paris.

23 MR. MacCARTHY: Gap's office, Avenue Matignon.

24 THE INTERPRETER: Gap's office, Avenue Matignon.

25 BY MR. HANEY:

1 Q. And following that meeting, did you, on behalf
2 of Gap --

3 A. We agreed on the terms of payment. I paid
4 1 million or 1-million-and-2. I can't remember exactly what
5 I had sold.

6 And for the rest, I said, "Either you give me some
7 instalments or you take the goods back".

8 Q. And what did Gap decide to do?

9 A. At the beginning, they said, "Keep the goods
10 and we're going to see".

11 Q. We're going to what?

12 THE INTERPRETER: See, see.

13 A. And then came a certain Jim Bell who dealt
14 with everything, who was dealing with everything.

15 BY MR. HANEY:

16 Q. Now, did Gap make efforts to sell the
17 1.7 million pieces of excess inventory that Solka had?

18 MS. DURIE: Objection, lacks -- objection, lacks
19 foundation. Calls for speculation.

20 BY MR. HANEY:

21 Q. All right. Did -- at that point in time, did
22 you still have 1.7 million pieces?

23 A. Yes.

24 Q. And did Gap make efforts to sell those
25 1.7 million pieces?

1 with Mr. Bell?

2 A. Mr. Jim Bell told them that to have ISP and
3 the franchise, they had to take this 1-million-and-7.

4 MR. MacCARTHY: Inventory.

5 A. That they didn't want to take.

6 BY MR. HANEY:

7 Q. Now, did -- where was the money going to come
8 from for these 1.7 million pieces?

9 A. Okay.

10 We went to see Sheikh Abdullah Al-Thani, to tell
11 him that Gap would -- for the ISP and the promise of the
12 franchise in the Gulf, that could be given, that could be
13 granted if they took the 1-million-and-7. I remember I went
14 several times to the palace to see him.

15 Q. And 1-million-and-7 is 1,700,000 pieces of Gap
16 excess inventory?

17 A. Yes, it was always the same.

18 Q. And did Sheikh Abdullah agree to provide the
19 money to purchase the 1.7 million pieces of excess
20 inventory?

21 A. He approved, because we told him that Gap had
22 promised us to give ISP and the franchise.

23 Q. Now, have you ever heard of a company called
24 Gabana?

25 A. Yes, of course.

1 Q. No, "when Gap told them".

2 THE INTERPRETER: "Gap told them", yes, sorry.

3 A. Gap told them they would have Gap, the
4 collection and everything.

5 When I say "Gap", I mean Gap, Banana Republic and
6 Old Navy.

7 MR. MacCARTHY: Old Navy.

8 THE INTERPRETER: Old Navy.

9 THE WITNESS: Old Navy.

10 A. And they took warehouses, offices in Qatar,
11 and so on.

12 MR. MacCARTHY: And hired people.

13 THE INTERPRETER: He didn't say that.

14 MR. MacCARTHY: He did.

15 THE INTERPRETER: He said it before.

16 BY MR. HANEY:

17 Q. Did they also hire -- did Roots also hire
18 people on the strength of Gap's statements?

19 MS. DURIE: Objection to form.

20 A. Of course. That's obvious. That's normal.

21 BY MR. HANEY:

22 Q. And in the conversation -- strike that.

23 Did Gap tell Roots that it would have ISP rights
24 in the -- strike that. Strike that.

25 Do you know if Gabana ever had any employees,

1 other than Mr. Larsen and a secretary?

2 A. No, none.

3 Q. Did Gabana ever have any operations in the
4 Middle East?

5 (Mr. MacCarthy clarified the translation)

6 Q. Strike that question.

7 Did Gabana ever have any facilities in the
8 Middle East?

9 A. (Laughs). No. They had -- they had an office
10 in Geneva, but that's all.

11 Q. Did Mr. Larsen have any background in the
12 garment business?

13 A. Never.

14 Q. What was Mr. Larsen's background?

15 A. I don't know. That's the question. Somebody
16 who worked for me told me that he used to be a banker in
17 Geneva, but I was told -- I got information too late. He
18 was working for the bank.

19 THE REPORTER: Did you say "I got information too
20 late"?

21 THE INTERPRETER: Yes.

22 MS. DURIE: Yes.

23 BY MR. HANEY:

24 Q. And do you know if he had any expertise in
25 selling garments in the Middle East?

1 A. (Laughs). We are wasting -- we are wasting
2 time. No.

3 Q. Do you have any idea why Mr. Larsen and Gabana
4 got involved in any transactions between Roots and Gap?

5 A. I was unfortunate enough to listen to somebody
6 who worked with me at Solka, somebody who was a partner
7 without being -- a partner, who told me, "I know somebody
8 who is wonderful who is in Geneva, Mr. Larsen, Francois
9 Larsen. As he's a banker and he has -- he knows people in
10 the banking business, it's going to be possible for us to
11 get letters of credit and all sorts of banking lines to
12 develop Solka."

13 And my mistake was to take him with me to San
14 Francisco and as I didn't speak English, he -- I was told
15 that I could trust him, he was extraordinary. And
16 I introduced him to all the people there.

17 MR. HANEY: And just -- strike that. You talked
18 earlier about -- strike that.

19 I have no further questions. Thank you.

20 MS. DURIE: Can we take a little break and we'll
21 switch places?

22 MR. HANEY: Okay.

23 THE VIDEOGRAPHER: Going off the record. The time
24 is 11:36.

25 (11:36 a.m.)